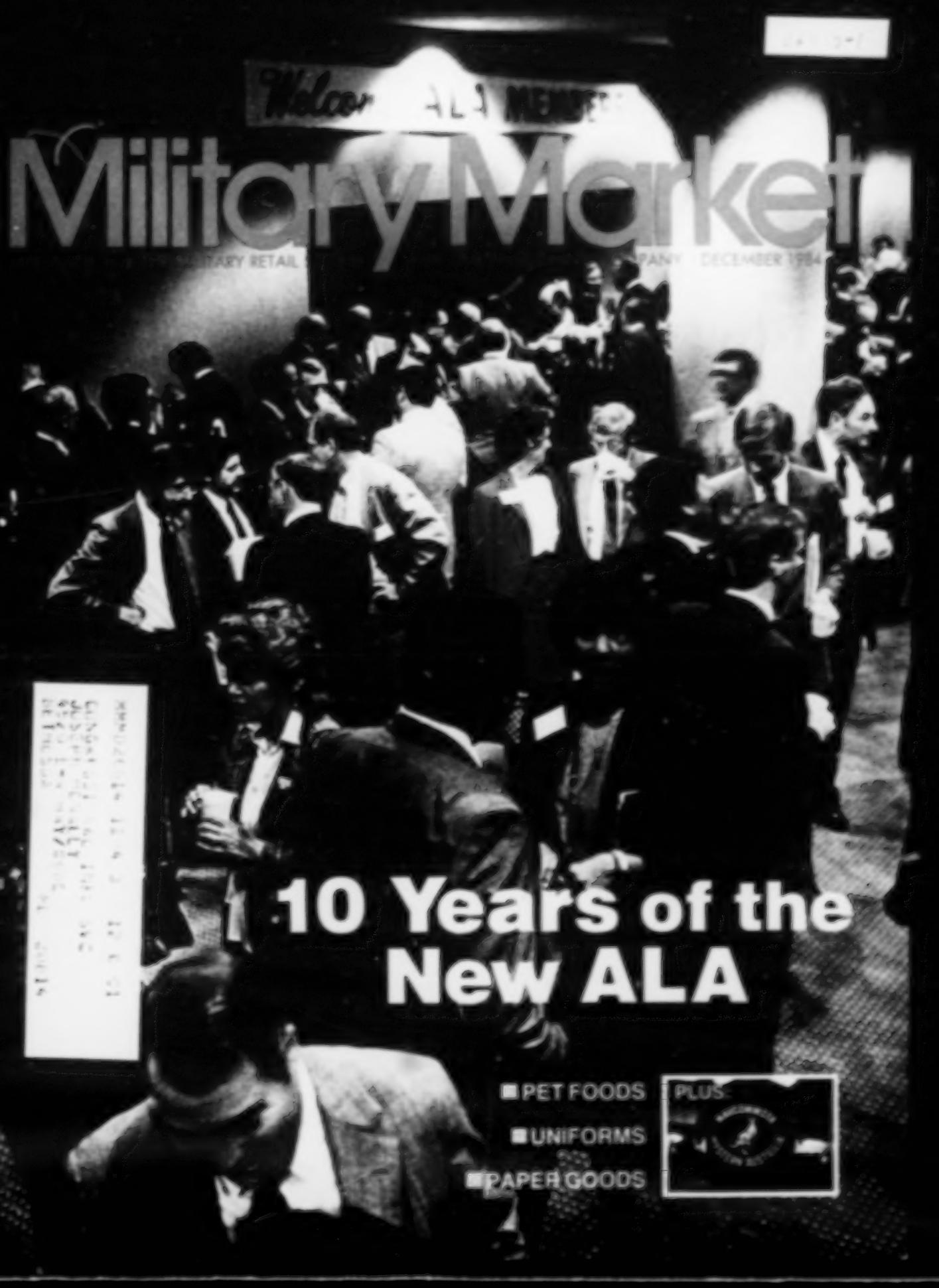
# Military Market



# 10 Years of the New ALA

- PET FOODS
- UNIFORMS
- PAPER GOODS

PLUS

**Military Market** serving the military retail system

DECEMBER 1984/VOLUME 35/NO.12
Army Times Publishing Company
A Division of The Times Journal Company

# contents

Editorial Comment ..... 4

Telephone Survey: Direct-Store Delivery ..... 6

Opinion ..... 7

News ..... 9

**Cover Story: ALA Convention** ..... 13
The Search for Excellence.

**Pet Foods** ..... 21
Move over, Rover! It looks like kitty's here to stay.

**System of the Month: NAVRESSO** ..... 24
At NCS Harold E. Holt, Australia, being 15,000 miles from NAVRESSO Headquarters is often a struggle.

**Paper, Bags, Wraps and Foils** ..... 28
A strengthening ecomony is putting more quality, convenience and value on the shelves.

**Uniforms** ..... 30
The government vs. the manufacturer.

Promos ..... 34

Merchandising Bits & Pieces ..... 35

Supplier Notes/Troop Maneuvers ..... 36

New Products ..... 37

Military Market Index ..... 38

Com-ex Comix/Ad Index ..... 39

Calendar ..... 40

**THE VIEW FROM DOWN UNDER**
Page 22

PRESIDENT
William F. Donnelly

EXECUTIVE VICE PRESIDENT
Henry L. Belber

SENIOR VICE PRESIDENTS
Donald J. Garyantes
Joseph G. Varga (Advertising)

VICE PRESIDENTS
Michael Bella (Production)
Thomas B. Moore (Circulation)
Robert E. Schweitz (Editorial)

ASSISTANT EDITORIAL DIRECTOR
James Doyle

Copyright Army Times Publishing Co. 1984, Army Times Publishing Co. — Trade Division. The material in this publication is copyrighted and may not be reproduced in whole or part without written permission of the publisher.

COVER PHOTO BY JOE MATERA
COVER DESIGN BY GARNETT SULLIVAN

**EDITOR**
Nancy Tucker

**MANAGING EDITOR**
Guy Lamolinara

**ASSOCIATE EDITORS**
Jay Blucher, Anne Roketenetz
Kathy A. Thomas

**ATPUBCO NEWS SERVICE**
Tom Philpott, Chief; Tom Burgess, Martha Craver, Rick Maze, Paul Smith

**STAFF PHOTOGRAPHERS**
Joe Matera, Kate Patterson

**ART DIRECTOR**
Jack Auldridge

**STAFF ARTISTS**
Matthew Arozian, Garnett Sullivan, Carrie Wall

**ADVERTISING MANAGER**
Kirk Brown

**CIRCULATION**
Paul A. Binkowski

**ADVERTISING PRODUCTION**
Phyllis King

**EXECUTIVE OFFICES**
Springfield, VA 22159-0210
Phone (703) 750-8676

**ADVERTISING SALES OFFICES**
1 Citicorp Center
153 E. 53rd St.
New York, NY 10022
Phone (212) 753-1040

ABP

BPA

**MILITARY MARKET, (USPS 911-690)**
Military Market is published 12 times a year by the Army Times Publishing Co., a division of The Times Journal Co., Springfield, VA 22159-0210. Single copies, $2, except January Buyers Guide and July Almanac and Directory issues, $5 each. Yearly subscriptions within the U.S., $20; to civilian addressees outside the U.S., $25. Second class postage paid at Springfield, VA, and additional mailing offices. **POSTMASTER:** Send address correction to Military Market Magazine, Springfield, VA 22159-0210.

# Military Market survey

## Daily Direct-Store Delivery:
### Who Will Ultimately Pick Up the Tab?

DIRECT-STORE DELIVERY seems like a good idea to most commissary managers, according to the results of this month's telephone survey, as nine of the 17 managers whose stores did not currently use this method indicated they would like to see it in their stores. There were, however, lots of reservations about such an operation ever working (or coming) to their stores. Eight of those 17 managers without daily direct-store deliveries said they did not want to adopt such a set-up.

Those three commissary managers that currently use daily direct-store delivery, however, were enthusiastic and highly complimentary about the current tests in AFCOMS and NAVRESSO. "Daily direct-store delivery has been working out fine here — no problems," is the way one NAVRESSO store manager described it.

Commissary store managers gave varied reasons why they dislike the idea, ranging from the remoteness of their locations, the lack of distributors in their immediate area, their stores' low volume of sales and the belief that direct-store delivery would only lead to higher prices for the patron.

In fact, 10 out of the total 20 store managers agreed that prices would be higher, with seven store managers saying that daily direct-store delivery would "probably" cause prices to rise. "The costs of making more frequent deliveries is going to get passed on to someone down the line," says one AFCOMS store manager. "The distributors are not going to do this out of the goodness of their hearts."

Other managers seemed to agree with these sentiments. "One of the sales reps told me confidentially that should his firm decide to go this route, there's no way his particular company was going to absorb the extra costs of making more frequent deliveries," says another NAVRESSO commissary manager. "It's sad, but the patron will probably end up being the one who picks up the tab."

Among the possible advantages of more frequent deliveries cited by the store managers were less emphasis on inventory and warehousing, less manpower needs, a higher inventory turnover rate, less possibilities for not-in-stocks and what one manager hoped would be the beginning of on-time deliveries. "Maybe if we had a system like that, those trucks would get here when they're scheduled, but then again, maybe not," sneered one AFCOMS store manager.

All the managers seemed in agreement about daily direct-store delivery relieving them of the necessity to carry such a large inventory. "I wouldn't have to spend all that time and effort making sure I have everything in stock in the back. I could just order my needs electronically by wanding the shelves. That's the way to do it."

Possible disadvantages cited were lots more paperwork, more hassles from headquarters, higher shelf prices and having almost total dependence on the distributors for filling their needs. "I kind of like the idea of having a warehouse — I guess I'm used to having that backup," says one TSA store manager.

Overwhelmingly, the commissary store managers said that daily direct-store delivery would probably not change their relationship with their milreps. While some said they were sympathetic to manufacturers' worries that their products might be dropped if they declined to participate, others pooh-poohed this argument. Says one AFCOMS store manager: "Customer demand dictates what we carry on the shelves, not whether a manufacturer decides to participate in the test or not."

On the perennially hot question of whether the commissaries are behind their retail counterparts when it comes to daily direct-store deliveries, the respondents were evenly divided, with nine store managers saying the commissaries were behind, and 10 saying they were not, with one abstaining. MM

**1. ARE YOU CURRENTLY PARTICIPATING IN ANY OF THE DIRECT-STORE DELIVERY TESTS?** Yes — 3. No — 17.
**IF NOT, WOULD YOU LIKE TO HAVE DIRECT-STORE DELIVERY AT YOUR STORE?** Yes — 9. No — 8.this totals to 17, because 3 people had DSD already
**2. WHAT HAS YOUR HEADQUARTERS TOLD YOU ABOUT DIRECT-STORE DELIVERY?** A lot — 3. Something — 9. Not Much — 2. Nothing — 6.
**3. DO YOU BELIEVE THAT DIRECT-STORE DELIVERY WOULD BE A FEASIBLE OPTION AT YOUR PARTICULAR COMMISSARY?** Yes — 10. No — 7. Perhaps — 3.
**WHY OR WHY NOT?** (See story.)
**4. WHAT DO YOU THINK ARE THE ADVANTAGES OF DIRECT-STORE DELIVERY?** (See story.)
**5. WHAT DO YOU THINK ARE THE DISADVANTAGES OF DIRECT-STORE DELIVERY?** (See story.)
**6. DO YOU THINK ELECTRONIC ORDER ENTRY WILL HAVE ANY EFFECT ON YOUR RELATIONSHIP WITH MILITARY SALES REPRESENTATIVES? (WITH DIRECT-STORE DELIVERY, SALES REPS NO LONGER WRITE ORDERS.)** Yes — 5. No — 15.
**IF YES, WHAT?** (See story.)
**7. MANUFACTURERS ARE CONCERNED THAT THEIR PRODUCTS COULD BE DROPPED FROM THE SHELVES IF THEY CHOOSE NOT TO PARTICIPATE IN THE DIRECT-STORE DELIVERY TESTS. DO YOU FEEL THAT THIS IS A VALID FEAR?** Yes — 4. No — 16.
**8. DO YOU THINK THAT USING DAILY DIRECT-STORE DELIVERY WOULD RESULT IN HIGHER SHELF PRICES?** Yes — 10. No — 3. Perhaps — 7.
**9. DO YOU THINK COMMISSARIES ARE BEHIND CIVILIAN STORES IN THIS ASPECT OF THE GROCERY BUSINESS?** Yes — 9. No — 10. Don't Know — 1.

# Military Market Index

## Commissaries

| | | AUGUST | | | YEAR-TO-DATE | | |
|---|---|---|---|---|---|---|---|
| | | CY'84 | CY'83 | % | CY'84 | CY'83 | % |
| **Air Force** | CONUS | $161,655 | $148,078 | +9.17 | $1,212,358 | $1,167,578 | +3.84 |
| | OVERSEAS | 30,816 | 28,577 | +7.83 | 238,631 | 232,603 | +2.59 |
| | TOTAL | 192,471 | 176,656 | +8.95 | 1,450,989 | 1,400,181 | +3.63 |
| **Army** | CONUS | 106,575 | 99,120 | +7.52 | 849,135 | 826,862 | +2.69 |
| | OVERSEAS | 32,235 | 32,340 | -0.32 | 268,275 | 265,399 | +1.08 |
| | TOTAL | 138,810 | 131,460 | +5.59 | 1,117,410 | 1,092,261 | +2.30 |
| **Navy** | CONUS | 56,240 | 49,478 | +13.67 | 476,296 | 429,949 | +10.78 |
| | OVERSEAS | 6,920 | 5,937 | +16.56 | 56,312 | 49,544 | +13.66 |
| | TOTAL | 63,160 | 55,415 | +13.98 | 532,608 | 479,493 | +11.08 |
| **Marines** | CONUS | 12,718 | 10,490 | +21.24 | 103,824 | 90,078 | +15.26 |
| | OVERSEAS | 294 | 155 | +89.68 | 1,738 | 1,496 | +16.18 |
| | TOTAL | 13,012 | 10,645 | +22.24 | 105,562 | 91,574 | +15.28 |
| **Coast Guard** | CONUS | 318 | 314 | +1.27 | 1,930 | 2,257 | -14.49 |
| | OVERSEAS | 328 | 247 | +32.79 | 2,230 | 1,416 | +57.49 |
| | TOTAL | 646 | 561 | +15.15 | 4,160 | 3,673 | 13.26 |
| **All Commissaries** | CONUS | 337,506 | 307,480 | +9.77 | 2,643,543 | 2,516,724 | +5.04 |
| | OVERSEAS | 70,593 | 67,256 | +4.96 | 567,186 | 550,458 | +3.04 |
| | TOTAL | $408,099 | $374,736 | +8.90 | $3,210,729 | $3,067,182 | +4.68 |
| **Grocery Stores** | U.S.[1] | $22.512 bil. | $20.608 bil. | +9.24 | $175.487 bil. | $155.874 bil. | +6.84 |

## Exchanges

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **AAFES** | CONUS | $245,125 | $238,250 | +2.89 | $1,836,284 | $1,799,440 | +2.05 |
| | OVERSEAS | 154,515 | 150,420 | +2.72 | 1,237,750 | 1,214,120 | +1.95 |
| | TOTAL | 399,640 | 388,670 | +2.82 | 3,074,034 | 3,013,560 | +2.01 |
| **Navy** | CONUS[2] | 94,969 | 93,835 | +1.21 | 688,241 | 669,686 | +2.77 |
| | OVERSEAS[2] | 37,925 | 38,050 | -0.33 | 290,213 | 285,233 | +1.75 |
| | TOTAL[2] | 132,894 | 131,885 | +0.77 | 978,454 | 954,919 | +2.46 |
| **Marines** | CONUS | 29,936 | 29,193 | +2.55 | 220,916 | 219,547 | +0.62 |
| | OVERSEAS | 4,621 | 4,364 | +5.89 | 37,890 | 37,682 | +0.55 |
| | TOTAL | 34,557 | 33,557 | +2.98 | 258,806 | 257,229 | +0.61 |
| **Coast Guard** | CONUS[3] | 6,494 | 6,428 | +1.03 | 48,932 | 47,726 | +2.53 |
| | OVERSEAS[3] | 885 | 876 | +1.03 | 6,252 | 6,508 | -3.93 |
| | TOTAL[3] | 7,379 | 7,304 | +1.03 | 55,184 | 54,234 | +1.75 |
| **Mail Order** | CONUS[4] | 795 | 949 | -16.23 | 9,656 | 9,112 | +5.97 |
| | OVERSEAS[4] | 3,032 | 3,207 | -5.46 | 30,693 | 29,857 | +2.80 |
| | TOTAL[4] | 3,827 | 4,156 | -7.92 | 40,349 | 38,969 | +3.54 |
| **All Exchanges** | CONUS | 377,319 | 368,655 | +2.35 | 2,804,029 | 2,745,511 | +2.13 |
| | OVERSEAS | 200,978 | 196,917 | +2.06 | 1,602,798 | 1,573,400 | +1.87 |
| | TOTAL | $578,297 | $565,572 | +2.25 | $4,406,827 | $4,318,911 | +2.04 |
| **Department Stores** | U.S.[1] | $10.529 bil. | $9.447 bil. | +11.45 | $74.526 bil. | $66.617 bil. | +11.87 |

1) SOURCE: U.S. Department of Commerce. 2) Does not include sales of ships stores. 3) MM estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard.

Individual figures may not add to totals because of rounding. All sales are expressed in millions (add 000), except grocery stores and department stores, which are in billions. Commissary sales include appropriation surcharges, and exchange sales include concession returns.